



United States Department of Agriculture
Rural Development
Alaska State Office



September 20, 2005

Paul McIntosh
Program Manager
510 L Street, Suite 410
Peterson Tower
Anchorage, AK 99501

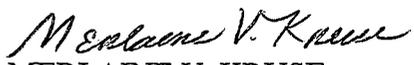
Dear Mr. McIntosh:

Bill Allen, our State Director, requested I provide you with an update on the status of the Marshall community center project. We have been working with the Office of Inspector General. A decision to investigate has not yet been reached. We expect a decision shortly and will inform you of the decision as soon as we are apprised of it.

Our Construction Analyst, Tim Krug recently conducted a site inspection of the building. The materials are stored out of the weather and the building is secured. City employees are installing siding. A construction cost estimator accompanied Tim on his visit. The cost estimator estimated the cost for completion of the project to be \$1,227,024.

USDA Rural Development remains committed to pursuing the investigation of the use of project funds and to finding the means to complete this project.

Sincerely,


MERLAINE V. KRUSE
Director, Community Programs

cc: Bill Allen, State Director
John Malone, Area Director, Bethel
Mike Marsh, Program Manager, USDA Forest Service Liaison
Jo Grove, Grants Program Manager, State of Alaska
Judy Haymaker, Grants Administrator, State of Alaska

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